Remarks

Claims 1, 3-5, 14-21, and 23-26 are currently pending. Claims 1, 14, and 20 are currently amended; claims 2, 6-13, and 22 are canceled; and claims 24-26 are new.

The following remarks are in response to the Office Action mailed May 25, 2010.

Claim Rejections – 35 U.S.C. § 103

Claims 1-23 stand rejected under 35 U.S.C. § 103 as unpatentable over Cushing (U.S. Pat. No. 7,162,447) in view of Huttenlocher (U.S. Pat. App. Pub. No. 2003/0093343) and in further view of Madden ("Structural Changes in Trading Stocks," J. Portfolio Management, Fall 1993) and Madoff (U.S. Pat. No. 7,617,144). These rejections are respectfully traversed with respect to claims 1, 3-5, 14-21, and 23, and to the extent that those rejections may be applied to claims 24-26..

First, independent claims 1, 14, and 20 have been amended to clarify that the buy order must have a limit price less than the reference price and that the difference between the execution price (which is different from the reference price) and the reference price is minimized.

Claims 24-26 require that the sell order has a limit price greater than the reference price and that the difference between the execution price (which is different from the reference price) is minimized. These limitations are clearly absent from the prior art.

In particular, the scenario asserted in the Office Action to be suggested by Huttenlocher – having the execution and reference price the same, and thus having a minimized difference – does not apply to claim 1, since claim 1 requires the trade execution price to be *different from* the reference price.

Moreover, none of the scenarios referenced in Madoff satisfies the limitations mentioned above. In particular, Madoff does not appear to mention crossing two *limit* orders, or *minimizing a difference between* a trade execution price and a reference price.

The two orders discussed in Madoff (at column 7, lines 30-64), are (1) a sell limit order with a limit price of NBBO + 2 cents; and (2) a buy order with a (non-limit) price of NBBO + 5 cents. Since the second order is not a limit order, the execution price is NBBO + 5 cents – which clearly does not minimize the difference between the execution price and the reference price (assuming, for the sake of argument, that the NBBO qualifies as a "reference price" in Madoff).

In the two orders discussed in Madoff at column 7, line 65 – column 8, line 17, both orders are market orders, and thus are not relevant to the claimed invention.

Thus, none of the cited references discloses: (1) executing two limit orders at an execution price different from a reference price, with that difference being minimized; or (2) crossing a buy limit order with a sell limit order, where either the buy limit price is below the reference price or the sell limit price is above reference price. Since at least these limitations (which are present in all of the pending independent claims) are missing from all of the cited references, Applicant respectfully submits that all of the pending claims (1, 3-5, 14-21, and 23-26) are allowable over the prior art of record. Accordingly, reconsideration and allowance of these claims are respectfully requested.

No fee is believed due in connection with this Reply. If any fee is due, please charge that fee to Cowan, Liebowitz & Latman's Deposit Account No. 03-3415.

Respectfully submitted,

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